

19 October 1970

MEMORANDUM FOR: Deputy Director for Intelligence

SUBJECT : NY Times Report on Subversives
in GVN Government

1. The Neil Sheehan article (copy attached) ran in today's Times. The article is based on our publication ER IM 70-63, "Viet Cong Covert Agencies in South Vietnamese Territory." A copy of the IM and its distribution lists are attached.

2. We will prepare a more detailed comment on the Sheehan article later this morning. Some preliminary comments follow:

a. The figures reported by Sheehan on the various categories making up the 30,000 agents are accurate (see page 5 of the IM). The NYT article fails, however, to report important qualifications to the 30,000 figure (see paragraph 8 in the IM) suggesting that the number of hard core agents would be on the order of 10-20% or 3,000-6,000.

b. Most of the accounting by Sheehan seems to be a reasonably accurate reflection of the IM.

c. The White House apparently tried to say the IM was not "the formal position of the CIA." It was, however, a published memorandum coordinated with OCI, ONE and SAVA. It was also coordinated with DDP. However, you may recall that DDP later claimed that it understood it was coordinating a typescript memorandum for the White House and did not realize it was going to be published.


Deputy Director
Economic Research

Attachments:

1. As stated in para 1.
2. ER IM 70-63, Cy #167 (Specimen)

1. *Pharmaceutical industry* – The pharmaceutical industry is the largest of the three industries, with sales of \$10.5 billion in 1997. It is the only industry that has a significant presence in all three markets.

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As a result, the β values are not directly comparable across the different studies. However, the β values are generally higher for the first two studies than for the last two studies. This may be due to the fact that the first two studies used a more conservative approach to estimating the β values, while the last two studies used a more liberal approach.

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